



09/03/2002

TO ALL APPLICANTS FOR SOLICITATION M/OP-02-1543

SUBJECT: AMENDMENT #2

The purpose of this amendment is to provide the following: (1) clarify proposal organization;
(2) define cities and countries for travel; (3) questions and answers; and (4) bidder's list update. The solicitation is amended as follows:

1. SECTION B. , paragraph A

The proposal organization must be in accordance with Section A – Application Format.

Delete "To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria" from Section B, paragraph A.

2. COST PROPOSAL

Add the city and country for each region for which travel costs must be based upon:

a) Africa Region

Pretoria, South Africa
Lusaka, Zambia
Lilongwe, Malawi
Nairobi, Kenya
Kampala, Uganda
Addis Ababa, Ethiopia
Abuja, Nigeria
Dakar, Senegal
Abidjan, Cote d'Ivoire

b) Latin America/Caribbean Region

Port au Prince, Haiti
La Paz, Bolivia
Managua, Nicaragua

c) Asia and Near East Region

Delhi, India
Bangkok, Thailand
Hanoi, Vietnam

d) Europe and Eurasia Region

Bucharest, Romania
Moscow, Russia

3. Questions for CORE Initiative RFA - Solicitation No. M/OP-02-1543

1. Please clarify the definition of “Consortium” so that we clearly understand requirements for the September 12th submission of Past Performances, as well as the Cost Application. For example, is any team that includes a prime recipient and subrecipient considered a consortium under this RFA, or is consortium used per the “legal relationship” definition expressed in Cost Proposal Instructions (which typically implies a different partnering arrangement than a traditional prime-sub relationship)?

Reference, for example:

P. 18 #3 under Cost Proposal Content states:

“If the applicant is a consortium, the Cost/Business application must include documents reflecting the legal relationship between the parties. The document/s should include a full discussion of the relationship between the applicants including identification of the applicant with which USAID will treat for purposes of Agreement administration, identity of the applicant which will have accounting responsibility, how Agreement effort will be allocated and the express agreement of the principals thereto to be held jointly and severally liable for the acts or omissions of the other.”

The first full paragraph on p.13 (Under B.6 Past Performance) states:

“If the applicant is a consortium of organizations, the application must provide a description of this/these partnerships accompanied by a credible operational plan

for molding the partnership structure into action in the field as proposed in the application. The institutional capability and past performance section should clearly describe organizational partnership and the rationale for the implied synergy. Indicate whether or not your organization has existing relationships with partner organizations and the nature of the relationship. The application must define the technical resources and expertise of proposed by each member organization that will have significant responsibility for any required components of the initiative and of their professional personnel proposed, to include the role of each worker to be involved in the project, and the amount of time each will devote to the project.”

Answer: A consortium is formed if the applicant wants to supplement its abilities to carry out the work with another organization. The consortium may be a traditional prime with a subcontractor/subgrantee or joint venture arrangement -- USAID does not have a preference.

2. Further, if “consortium” is defined as inclusive of any prime-sub relationship, and the Applicant is expected to comply with the additional submission requirements described in the above paragraph excerpted from p.13 for the September 12th Past Performances information, there is an unusual burden on the Applicant to present information that normally is not expected to be presented until submission of the full Technical Application. Please clarify whether the intent in the above-referenced paragraph is specific to the Past Performance September 12th submission requirements, or if it is intended to reinforce what will be looked for in the later-submitted Technical Application. If the latter is intended, please confirm that the sole requirement for the September 12th Past Performance submission is the information specified in the RFA (p.13 A-H), which is preferred in a matrix format.

Answer: USAID only requires the information requested in the solicitation, Section A., paragraph 6.

3. The cover letter on p.3, paragraph 3 provides cautionary language that “Applicants should note carefully that neither they nor any member of their consortium of institutions, should one exist, can be the direct or indirect subrecipients of grant funds made available under this LWA. Consortium applicants should be particularly cautious since even members of the consortium not actively involved in implementing this Agreement (such as through the evaluation of applications) will be barred from receiving funds as subawards to this Agreement.”

Please clarify the definition of “member.” For example, does the exclusion carry over to affiliates of the Applicant’s partner groups, even if they are separately registered in another country, such as affiliate members of CARE or Save the Children? Does the exclusion include organizations that members of an “Advisory Council” either belong to or are employed by?

Answer: We are not certain of the legal/financial arrangement in the questioner's use of "affiliate". If an organization makes up part of the consortium applying for the Leader award, it is a "member" and would therefore not be eligible to apply for subgrants made under the Leader. Particular concern is where an "affiliate" operates under the same corporate registration and is part of the parent corporation of the Leader - this would be an inherent conflict of interest. If the affiliate is separately incorporated/registered with its own board of directors, there would likely not be a conflict of interest as long as this affiliate is not taking an active role in the Leader implementation. For example, in the case where the affiliate of an organization in country "x" operates under another registration and a separate board of directors and is not implementing activities under the Leader, it could apply for subgrants. As long as the "affiliate", "partner", or "advisory council member" do not have a direct financial gain from the consortium's selection of a subrecipient for grant funds, the fairness or conflict of interest would not be in question. Please also refer to the answer provided for question 1.

4. Under Key Personnel, p.14, paragraph 1, one of the required key personnel positions specified is “Sub-Grantee Monitor/Mentor.” Please clarify whether this position is expected to be related to the Small Grants Program component and/or the Large Scale/Replication Projects component.

Answer: USAID anticipates that at least 75% of the time of the incumbent in the referenced position will be focused on the small grants program component.

5. Please clarify preferred order of the Technical Proposal.

Answer: Please refer to the amendment above.

6. Under Section B, Selection Criteria, B.4 Past Performance, p.26, paragraph 1 includes the statement: “USAID will not evaluate an offeror’s organizational past performance solely on the basis of the individual past performance of the offeror’s key personnel. USAID may evaluate the organizational past performance of the offeror’s proposed key subcontractors. USAID will consider the extent to which the offeror’s key personnel have worked together in the past and the organization’s rate of personnel replacement.”

Given the information required for the Past Performances submission, how will overall “extent to which the offeror's key personnel have worked together in the past and the organization's rate of personnel replacement” be determined?

Answer: USAID will base its evaluation in referencing the past performance information provided by the applicant that should provide the extent that the key personnel have worked together and if the applicant was proactive and successful in replacing key personnel. USAID may use other references to gather this information as further explained in the solicitation.

7. Under Budget Assumptions, p.17, #2 states “Travel costs should be based on the countries/regions/cities indicated.” However, while regions and numbers of countries are indicated, no country names or city names are specified. Given the implied intent of the guidance for budget assumptions to limit wide variations in Offerors’ budgets, is the Applicant expected to choose and name such locations for its budget?

Answer: Please refer to the amendment above.

8. The RFA has a mandatory cost-share requirement of 25 percent. This is a sizeable amount for what is primarily a grant-making project (a mix of small grants and subgrants), as well as a high-risk-bearing amount for Offerors to commit to, particularly those Offerors operating without a base of flexible donated funds. It is our understanding that ADS 303.5.10 has been re-written to state that there is no set formula for cost sharing and that the Activity Manager, rather than the USAID officer, is now responsible for determining the cost share for individual grants and cooperative agreements. This section also encourages the Activity Manager to communicate with a broad span of potential applicants regarding appropriate costs share prior to issuance of the RFA.

Was any discussion held with potential applicants regarding the cost share amount prior to issuance of the RFA?

Given the fact that the RFA specifically encourages both non-profit and for-profit firms to submit applications, it is unlikely that for-profit firms will be able to respond to the cost-sharing requirement and at the same time meet their obligations to their shareholders which, as a result, may significantly reduce the number of applications submitted to USAID for this activity. Will USAID consider reducing this significant cost-share requirement in order to further competition?

Answer: Given that cost share may be met with in-kind contributions, and that the demonstration projects undertaken in planning the CORE Initiative indicated that even very small grassroots organizations were able to make significant

contributions to the overall costs of programs for which they sought USAID support, USAID does not intend to revise the cost share requirement.

9. We would like to apply for grants and funding to our education/prevention programs in all the areas we work at in Zambia/Congo (Central Africa) Ethiopia and Nigeria. Could you please advise on what grants are out there from USAIDs that we can apply for.

Answer: You may wait until a Leader Award is made and apply for a grant once the Leader releases a solicitation or check USAID's website for future postings of assistance opportunities.

10. It is our understanding that organizational members of an umbrella organization, networked group or alliance would be free to apply for grants under CORE, even if umbrella or networked entity is a program implementer.

In other words, only those entities that are legally bound together-with shared governance and management-must choose between being a grantee and being an implementer.

All other entities-even though they may have programmatic or funding ties with indigenous organizations-could become program implementers without jeopardizing the chance of the indigenous groups to bid on grants.

Answer: A program implementer can not financially benefit from its selection of a grant recipient. Please also see the answers provided for questions 1 and 3.

4. Updated Bidder's List

1. Danielle Haley
JSI International Division
44 Farnsworth Street
Boston, MA 02210
617-482-9485
617-482-0617

2. Mr. Philip Anglewicz
The Futures Group International
1050 17th Street NW, Suite 1000
Washington D.C. 20036

3. Brian J. Berg
Corporate Marketing & Information Services

Abt Associates Inc.
55 Wheeler Street
Cambridge, MA 02138
617-520-3521 (voice)
617-520-2967 (fax)
brian_berg@abtassoc.com

4. PACT
Attn: Paola I. Lang
1200 18TH Street, NW
Suite 350
Washington, DC 20036
202-466-5666
plang@pacthq.org

5. Susan H. Dugan
Sponsored Projects/Finance Mgr.
The Johns Hopkins University
Center for Communication Programs
111 Market Place, Suite 310
Baltimore, Maryland 21202 USA

Phone: 410-659-6224
Fax: 410-659-6266
Email: sdugan@jhuccp.org

6. Byron W. Radcliffe
The Academy for Educational Development
1825 Connecticut Avenue, NW
Washington, DC 20009

Ph: 202-884-8111
Fx: 202-884-8491
Email: bradclif@aed.org

7. Amy Wing
Proposal Development Assistant
Contracts & Grants
CARE
Tel: 404-979-9359
Fax: 404-589-2621

8. Tracy Henry
Director, Business Development

Edelman Communications International (ECI)
1900 M Street, NW Suite 420
Washington, DC 20036
202-955-7471

www.eci-communications.com <http://www.eci-communications.com/>

9. Gary L. Howe
Contracting Officer
The Futures Group International
Phone: (202) 775-9680
Fax: (202) 775-9694 or 9698
e-mail: g.howe@tfgi.com

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